



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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January 17, 2006

TO: Senator Margarita Prentice, Chair
Senate Ways and Means Committee

Representative Helen Sommers, Chair
House Appropriations Committee

Representative Hans Dunshee, Chair
House Capital Budget Committee

FROM: Victor Moore, Director 

**SUBJECT: TECHNICAL ERRORS IN THE GOVERNOR'S DECEMBER
SUPPLEMENTAL BUDGET**

After review of the data we submitted in December, we have identified some technical corrections that we would like to bring to your attention as you deliberate on the 2006 supplemental budget. These revisions net to a savings of \$6.786 million (\$4.812 million General Fund-State).

There are also three corrections to proviso language, two in the operating appropriations bill and one in the capital bill.

We apologize for these errors, and appreciate your consideration of the revisions.

cc: Charlie Gavigan, House Appropriations Committee
Dave Johnson, House Appropriations Committee
David Schumacher, Senate Ways and Means Committee
Mike Wills, Senate Ways and Means Committee
Susan Howson, House Capital Budget Committee

Expenditure Revisions for Errata

2006 Supplemental Operating Budget

Dollars in Thousands

FY 2007 FTEs GFS Other

Expenditure Changes

Washington State University - Pension adjustment

An error in a compensation model report resulted in pension costs being understated for this agency.

0.0 148

Washington State University - Classification revisions

WSU reported that it was overfunded for the classification revisions step.

0.0 (23)

DSHS-010 Children's Individual Providers

Increased health benefits for agency home care workers were funded in the Long Term Care budget, but were not included in Children's Administration. (General Fund - Federal)

402 404

DSHS-010 Children's Child Protective Services/Child Welfare Services Reform Funding Shortfall

More FTEs were added in the supplemental than necessary.

(11.5)

DSHS-020 Juvenile Rehabilitation Utility Rate Adjustment

The second year funding for utility rate adjustments was inadvertently left in the agency's budget.

(90)

DSHS Long Term Care Agency Provider Supplemental Wage

Additional funding is needed because the original request was based on the March 2005 caseload forecast, and was not updated for the November forecast. (General Fund - Federal)

118 118

DSHS 080 Medical Assistance Administration - Employer-Sponsored Insurance Program

The cost of one FTE was inadvertently omitted from the net impact of the policy step. (General Fund-Federal)

90 88

DSHS-110 Administrative Services Mental Health Transformation Grant in FY07

FTEs should be 14.0 in FY 2007, rather than at 4.0.

10.0

DSHS-Developmental Disabilities Agency Provider Health Benefits

Health benefits were overfunded in the Governor's budget. (General Fund - State and Federal)

(570) (555)

DSHS--Central Service agency costs funding split needs adjusted

The fund split between General Fund - State and Federal was incorrectly calculated.

(792) 792

Department of Health - Funding for Temporary Worker Housing Account

The Temporary Worker Housing Account is nonappropriated but is reflected as appropriated in the database. It should be corrected in the data, and removed from the budget bill.

Department of Corrections, Community Corrections Caseload

An error in calculation in the data model caused over-funding.

1.1 (4,095)

Community, Trade, and Economic Development - Continued Federal Grant Authority

During the 2005 session the Department of Archaeology and Historic Preservation (DAHP) was created. The functions of the new Department had previously been in CTED. CTED's current biennium budget federal spending authority was reduced accordingly. The National Park Service currently has two grants open with CTED, and will not re-assign those grants to DAHP. CTED needs additional authority to provide the grant funds to DAHP via interagency agreement. A corresponding one-time reduction of \$529,000 is made to DAHP. (General Fund - Federal)

529

Department of Archaeology and Historic Preservation - Federal Grant Adjustment

(529)

Department of General Administration - Resource Conservation Manager

Although an FTE was added for a resource conservation manager, the funding was not. This position will provide resource management services to the Community and Technical Colleges in order to realize savings in energy costs. (General Administration Service Account)

129

Department of Information Services - Business Continuity

This spending authority is not needed for DIS. Funding is contained in other agency budgets to pay for the facility. (Data Processing Revolving Account)

0 (2,950)

Department of Financial Institutions - Mortgage Broker Practices Act

Funding was included for this proposed legislation, but FTEs for FY 2007 were not included.

10.7

Military Department - Youth Academy

In addition to funding for this new program, FTEs are needed: 1.0 in FY 2006, and 20.5 in FY 2007

20.5

DSHS--Economic Services-shift FTEs to Department of Early Learning in FY 2007

While funding will remain in DSHS for FY 2007, FTEs should be moved to where salaries will be paid.

(163.5)

Department of Early Learning- Shift FTEs from DSHS--Economic Services in FY 2007

While funding will remain in DSHS for FY 2007, FTEs should be moved to where salaries will be paid.

163.5

30.8 (\$4,812) (\$1,974)

Proviso Changes

Operating Appropriations Bill

DSHS Mental Health Section 204(1)(b)

A language change in the DSHS Mental Health section of the appropriations bill is necessary to ensure that the combined total of GF-S and GF-F Medicaid will not drop below 2005 levels in Fiscal Year 2006. In Fiscal Year 2007, the Non-Medicaid funding distribution will be based on Fiscal Year 2005 spending. No Regional Service Network (RSN) will receive less than 95% of what they received in Fiscal Year 2006 total funding.

\$103,400,000 of the general fund-state appropriations for fiscal year 2006 and \$103,400,000 of the general fund-state appropriation for fiscal year 2007 are provided solely for persons and services not covered by the Medicaid program. For Fiscal Year 2006, the department shall distribute the amount among the regional support network according to a formula that, consistent with RCW 71.24.035(13), assures continuation of fiscal year 2003 levels of nonmedicaid services in each regional support network area for the following service categories in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance. The Department shall also ensure that each RSN's combined total of general fund-state and federal Medicaid does not drop below fiscal year 2005 levels. The remaining amounts shall be distributed based upon a formula that incorporates each regional support network's percentage of the state population. For Fiscal Year 2007, the department shall distribute the amount among the regional support network according to a formula that, consistent with RCW 71.24.035(13), assures in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance. The remaining amounts shall be distributed based upon a formula that incorporates each regional support network's percentage of the state's population. The Department shall also ensure that each RSN's combined total of general fund-state and federal Medicaid does not drop below 95% of fiscal year 2006 levels. In consultation with regional support networks and other interested groups, the department shall report to the joint legislative and executive task force by September 2006 on options for modifying the allocation formula to assure equitable statewide access to essential nonmedical services.

Community and Technical Colleges Section 602, line 20

The second enrollment number should be changed from 133,040 to 133,160.

Capital Appropriations Bill

New Section--Employment Security: Employment Resource Center

The authorized use of funds in the proviso in ESSB 6094, Section 287, needs to be expanded to meet the agreement with Boeing for the shared costs at the Employment Resource Center in Snohomish County.

Employment Resource Center (05-2-001)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided ~~solely to~~ for services and activities including the purchase and installation of state of the art equipment for a 40,000 square foot facility supporting work force development programs using funds available to the state in section 903(d) of the Social Security Act (Reed Act).

Re-appropriation:

<i>Unemployment compensation Administration Account Federal</i>	<i>\$6,000,000</i>
<i>Prior Biennia (Expenditures)</i>	<i>0</i>
<i>Future Biennia (Expenditures)</i>	<i>0</i>
<i>Total</i>	<i>\$6,000,000</i>